

POOLED MONEY INVESTMENT BOARD
915 Capitol Mall, Room 110
Sacramento, CA 95814

MINUTES

Wednesday, February 18, 2004

The meeting was called to order at 10:10 a.m.

Roll: Francisco Lujano for State Treasurer Philip Angelides
 Cindy Aronberg for State Controller Steve Westly
 Michael Genest for Director of Finance Donna Arduin

Staff Present: Barbara Lloyd, Executive Secretary, PMIB
 Doug Spittler, State Treasurer's Office
 Gina Greer, Attorney General's Office
 Linda McAtee, State Treasurer's Office

APPROVAL OF MINUTES

The Minutes for the meeting of January 21, 2004, were approved as submitted, 3-0.

APPROVAL OF PMIB DESIGNATION NO. 1656

Mr. Doug Spittler of the State Treasurer's Office presented the portfolio Summary Report as of February 10, 2004. On that day, the portfolio stood at \$53.376 billion. The effective yield was 1.494%, the quarter-to-date yield was 1.520% and the year-to-date yield was 1.589%. The average life of the portfolio was 172 days and AB55 Loans approved stood at \$5.851 billion with \$2.637 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$22.672 billion with 2,760 participants.

Mr. Steve Muraki of the Cash Management Division of the State Treasurer's Office presented a summary of the Forecast of Changes in portfolio for the Pooled Money Investment Account for the period February 16, 2004, through April 23, 2004. He stated that over the ten-week period of the forecast there would be an increase in the portfolio of about \$1.283 billion due to receipts exceeding disbursements. Mr. Muraki continued by highlighting several of the key receipts. He noted that the Sales, Liquor, and Utility Surcharges were estimated to total \$5.707 billion and that Motor Vehicle Fuel Taxes were anticipated to total \$487 million. Personal Income and Bank & Corporation Taxes were expected to total \$12.323 billion, while the Insurance Gross Premium Taxes were estimated at \$447 million. The Sale of State Bonds was expected to total \$2.585

billion and the CSU Bond, closing on February 19, was estimated at \$103 million. Mr. Muraki concluded by stating that \$38.427 billion was expected to be received over the ten-week period.

Ms. Sue Griffith of the State Controller's Office presented the Estimated Pooled Money Disbursements for the forecast period and highlighted several of the major disbursements. Public School and Community College expenses were expected to total \$8.570 billion and Social Services disbursements were estimated at \$2.720 billion. The Local Sales Tax Apportionment was anticipated at \$2.098 billion and the Payroll Revolving Fund was expected to total \$2.532 billion. Total disbursements for the ten-week period were estimated at \$36.916 billion.

Designation No. 1656 was approved, 3-0.

APPROVAL OF SURPLUS MONEY DECLARATIONS/REDUCTIONS

Mr. Doug Spittler presented the changes in the Surplus Money Investment Fund for the period January 1, 2004, through January 31, 2004. During that month \$6.124 billion was declared surplus in various special funds, while \$6.642 billion was declared to be a reduction in surplus.

The Surplus Money Declaration/Reduction for the month of January 2004 was approved, 3-0.

APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Spittler presented this item and said there were three requests for the month. The Department of Justice submitted two requests: the first was for the Public Rights Law Enforcement Fund (Fund Number 3053) and the second was for the Rate Payer Relief Fund (Fund Number 3061). The third request was from the Department of General Services for the Juvenile Accountability Incentive Program Account of the Special Deposit Fund (Fund Number 0942144). He said staff had reviewed these requests and recommended their approval.

The Board accepted the staff's recommendations and approved the three requests, 3-0.

ARRANGEMENTS WITH BANKS (INFORMATIONAL ITEM)

Ms. Barbara Lloyd presented a short, informational memorandum that stated the Treasurer had renewed the terms of the existing banking relationships for the 2003-04 fiscal year. This determination was made after conducting annual meetings with each of the seven depository banks. The following staff recommendations were approved by the Treasurer:

Uncollected Funds: No change to the float allowance and formula used for determining the level of demand deposit balances needed to compensate the banks for uncollected funds.

Service Charges: No change to the formula and service charges allowed for determining the level of demand deposit balances needed to compensate the banks for services rendered.

Ms. Lloyd noted that this was an informational item and needed no approval by the Board.

APPROVAL OF AB 55 LOANS

Mr. Chris Kooyman of the Public Finance Division of the State Treasurer's Office presented eighteen loan requests. He noted that loans a. through f. were for general obligation bond programs, that loan g. was for the oil spill response trust fund and that loans h. through r. were for lease revenue bond programs. The first loan presented (*Item a.*) was from the State Allocation Board/Office of Public School Construction for the School Facilities Bond Act of 1990 (June) for \$1,850,000.00. The second loan request (*Item b.*) was from the State Allocation Board/Office of Public School Construction for the Kindergarten-University Public Education Facilities Bond Act of 2002 (K-12) for \$2,413,350,000.00. The third loan (*Item c.*) was from the Department of General Services for the Earthquake Safety and Public Building Rehabilitation Bond Act of 1990 for \$17,684,791.49. The fourth request (*Item d.*) was from the Resources Agency for the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 for \$334,385,000.00. The fifth loan presented (*Item e.*) was from the Department of Water Resources for the Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Bond Act of 2000 for \$108,892,370.56. The sixth loan (*Item f.*) was from the State Coastal Conservancy for the Fish and Wildlife Habitat Enhancement Act of 1984 for \$2,800,000.00. The seventh request (*Item g.*) was a resolution authorizing a loan, if needed, to the Oil Spill Response Trust Fund for the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act for \$54,875,000.00.

The eighth loan (*Item h.*) was from the Department of General Services/SPWB Energy Conservation Revenue Bond program for the Ronald Reagan State Building for \$5,024,793.00. The ninth loan request (*Item i.*) was from the Department of General Services/SPWB Energy Conservation Revenue Bond program for the Elihu Harris State Building for \$972,236.00. The tenth request (*Item j.*) was from the Department of General Services/SPWB Energy Conservation Revenue Bond program for the Edmund G. Brown State Building for \$1,317,620.00. The eleventh loan presented (*Item k.*) was from the Department of General Services/SPWB Energy Conservation Revenue Bond program for the San Francisco Civic Center State Building for \$1,109,791.00. The twelfth loan (*Item l.*) was from the Department of Mental Health/SPWB Energy Conservation Revenue Bond program for the Metropolitan State Hospital for \$3,965,245.00. The thirteenth request (*Item m.*) was from California Community Colleges/SPWB Lease Revenue Bond program for the Folsom Lake Center, Instructional Facilities Phase 1B for \$16,000,000.00. The fourteenth loan (*Item n.*) was from the Department of Forestry and Fire Protection/SPWB Lease Revenue Bond program for the San Luis Obispo Ranger Unit headquarters for \$19,000.00. The fifteenth request (*Item o.*) was from the Department of Corrections/SPWB Lease Revenue Bond program for the California Men's Colony, Wastewater Collection Treatment Upgrade for \$13,043,964.00. The sixteenth loan (*Item p.*) was from the Department of Mental Health/SPWB Lease Revenue Bond program for the Patton Hospital: EB Bldg. – Fire/Safety/Environmental Improvements Ph. 2 & 3, Renovate Admission Suite for \$391,000.00. The seventeenth loan (*Item q.*) was from the Department of Mental Health/SPWB Lease Revenue Bond program for the Metropolitan State Hospital: Construct New Kitchen & Remodel Existing Satellite Kitchens for \$832,000.00. The eighteenth

request (*Item r.*) was from the University of California/SPWB Lease Revenue Bond program for the Santa Barbara Campus, CNSI Bldg. @ Santa Barbara for \$13,400,000.00. The impact on the Pool of these eighteen requests would be to increase the portfolio loan balance by \$1.608 billion. Mr. Kooyman said all loans were recommended for approval as presented with the exception of loan d., which was recommended for approval contingent upon Finance Committee approval.

All eighteen loan requests were approved as recommended by staff, 3-0.

PUBLIC COMMENT

None.

ADJOURNMENT

In the absence of further business, the meeting was adjourned at 10:23 a.m.

Respectfully submitted

Barbara Lloyd
Executive Secretary